



TEACH YOUR TEEN

Financial Responsibility

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Help your teen enjoy a bright future by teaching them financial responsibility. ***Knowing the basics of money management will help your child to plan ahead and achieve their life goals.***

If you feel a little awkward talking about money, these steps make it easy to explain budgeting, shopping, saving, and using credit wisely.

Budget Wisely

1. Learn the basics of budgeting. Explain budgeting in simple terms as a plan for income and expenses. Discuss examples of trade-offs and the concept of needing to earn more or spend less in order to remain financially secure.

2. Get familiar with ordinary household expenses. Give your teen an early start on knowing the cost of typical goods and services. Let them see the cable TV bill and your monthly car payment.

3. Monitor your spending. Ask your teen to keep track of their spending for a month or more. ***Your kids may be surprised by how much they really spend on eating out or clothing.***

4. Manage your income. As long as school remains the top priority, encourage your teen to have some income of their own to manage. You can provide an allowance or support their efforts to find a summer job.



Shop Carefully

1. Shop together. Go shopping together to demonstrate how to get the best value. Compare prices for generic and brand name products at the grocery store. Look for special sales at the local mall. 🗒

& Research major purchases. Assign your teen some research when they want to make a major purchase such as a cell phone. Let them compare plans and help decide what features they really need. 🗒.

Analyze materialism. Advertising bombards people with messages to consume more. ***Discuss the importance of moderation and basing your happiness on sources other than your possessions.***



Save More

1. Establish goals. Help your teen to set short and long term goals that will motivate them to build up some savings. They may want to buy a car or put away money for college.

2. Understand interest. Provide an introduction to the power of interest. Your child may want to save more if they realize how much money they can earn by starting a savings account when they're young.

3. Develop a savings strategy. Help your teen find a plan that works for them. They may want to set aside a small percentage of their allowance or half the money they get for their birthday. If possible, you can provide an extra incentive by offering to match whatever amount they save.



Use Credit Wisely

1. Select the right instrument for you. There are many kinds of cards to choose from now so you can find the level of parental control that's comfortable for you. Debit cards give you the peace of mind of enforcing a pre-established spending limit, and many cards give you the option to review all statements. ❓

2. Pay your balance off monthly. Let your teen know that interest works against them when borrowing. ***Show them how paying off a credit card balance each month protects you from paying much more than the original price for the goods and services you charged.***

3. Know the significance of good credit. Talk with your teens about the importance of good credit. Explain how being responsible about paying off bills helps people to qualify for financing when they need student loans or want to buy a house.

With a little information and guidance, your teen can master the basics of money management. By encouraging them to be responsible, you'll protect your family's financial security while you help your child pursue their dreams for college and beyond.



